GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1846
ANSWERED ON:13.03.2007
PROMOTION OF KHADI AND VILLAGE INDUSTRIES
Joshi Shri Pralhad Venkatesh

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether Khadi and Village Industries being symbol of our National Movement and priority of `Mahatma Gandhi` is gradually sinking these days:

(b): if so, the details thereof;

(c): whether the Government has decided to enhance the ratio of allocations to uplift sinking Khadi and Village Industries; and

(d): if so, the steps taken or proposed to be taken to revive the Khadi and Village Industries across the country?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): No, Sir.

(b): Does not arise.

(c): The khadi and village industries sector has continued to receive priority as can be judged from that fact that budgetary allocation has increased from Rs. 340.55 crore (actual) in 2002-03 to Rs. 711 crore in 2007-08. Moreover, the total value of production and employment generated in these sectors have increased by 44.51 per cent and 24.56 per cent during 2002-03 to 2005-06.

(d): As part of the Government`s National Common Minimum Programme to revamp the Khadi and Village Industries Commission (KVIC), the Khadi and Village Industries Commission Act, 1956 has been amended and the Commission has been re-constituted. To strengthen the khadi and village industries (KVI) and make them competitive in the global economy, Government (in the Ministry of Agro and Rural Industries) has been implementing schemes like Interest Subsidy Eligibility Certificate Scheme (ISEC) providing subsidized rates of interest on bank loans, Product Development, Design Intervention and Packaging (PRODIP) Scheme for improving designs and packaging of KVI products, and Rural Employment Generation Programme (REGP) through KVIC, for setting up village industries by providing subsidy in the form of margin money. Assistance is also provided to KVI units to participate in exhibitions at the national, sub-national levels to assist marketing of KVI products. These facilities are available to all eligible cottage and rural industries. Further, the Government has launched the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) in 29 khadi, 50 village and 25 coir industry clusters for five years beginning 2005-06. SFURTI envisages assistance for setting up of common facility centres, quality improvement, training and capacity building, development of new products, improved packaging, new design, market promotion, etc.

Further, the Expert Committee constituted to suggest measures for revamping of KVIC and programmes/schemes had, inter alia, recommended strengthening of the khadi and village industries by restructuring of some of the on-going schemes. In pursuance of the accepted recommendations, KVIC has prepared proposals in this regard with aim of creating more employment opportunities in the KVI sector.